

**Concessions Film LLC** (the “Company”) a New York Limited Liability Company

Financial Statements (unaudited) and  
Independent Accountant’s Review Report

Year ended December 31, 2022



## **INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

To Management  
Concessions Film LLC

We have reviewed the accompanying financial statements of the Company which comprise the statement of financial position as of December 31, 2022, and the related statements of operations, statement of changes in member equity, and statement of cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter Regarding Going Concern**

As discussed in Note 8, certain conditions indicate substantial doubt that the Company will be able to continue as a going concern. The accompanying financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern. Management has evaluated these conditions and plans to generate revenues and raise capital as needed to satisfy its capital needs.

On behalf of Mongio and Associates CPAs, LLC

Vince Mongio, CPA, EA, CIA, CFE, MACC  
Miami, FL  
July 14, 2023

*Vincenzo Mongio*

### Statement of Financial Position

	As of December 31, 2022
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	217,571
Total Current Assets	217,571
Non-current Assets	
Intangible Assets: Production Costs	16,714
Total Non-Current Assets	16,714
<b>TOTAL ASSETS</b>	<b>234,285</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Advances From Related Parties	1,210
Total Current Liabilities	1,210
<b>TOTAL LIABILITIES</b>	<b>1,210</b>
<b>EQUITY</b>	
Member's Capital	300,111
Accumulated Deficit	(67,036)
Total Equity	233,075
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>234,285</b>

### Statement of Changes in Member Equity

	Member Capital		
	\$ Amount	Accumulated Deficit	Total Member Equity
Ending Balance 12/31/2021	-	-	-
Capital Contributions	300,111	-	300,111
Net Income (Loss)	-	(67,036)	(67,036)
Ending Balance 12/31/2022	300,111	(67,036)	233,075

### Statement of Operations

	Year Ended December 31, 2022
Revenue	
Cost of Revenue	
Gross Profit	-
Operating Expenses	
General and Administrative	67,036
Total Operating Expenses	67,036
Net Income (loss)	(67,036)

### Statement of Cash Flows

	Year Ended December 31, 2022
<b>OPERATING ACTIVITIES</b>	
Net Income (Loss)	(67,036)
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Capitalized Production Costs	(16,714)
Advances from related parties	1,210
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	(15,504)
Net Cash provided by (used in) Operating Activities	(82,540)
<b>FINANCING ACTIVITIES</b>	
Issuance of Member contributions	300,111
Net Cash provided by (used in) Financing Activities	300,111
Cash at the beginning of period	-
Net Cash increase (decrease) for period	217,571
Cash at end of period	217,571

**Concessions Film LLC**  
**Notes to the Unaudited Financial Statements**  
**December 31st, 2022**  
**\$USD**

**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES**

The Company was formed in New York on March 22, 2022. The Company plans to raise money to produce an independent feature film, which it will sell for profit. The Company's headquarters are in Brooklyn, New York. The Company plans to submit the film to festivals before securing a domestic distribution deal and finally will seek a foreign distribution deal.

The Company will conduct a crowdfunding campaign under regulation CF in 2023 to raise initial capital.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

Our financial statements are prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). Our fiscal year ends on December 31. The Company has no interest in variable interest entities and no predecessor entities.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances, and highly liquid investments with maturities of three months or less when purchased.

Fair Value of Financial Instruments

ASC 820 "*Fair Value Measurements and Disclosures*" establishes a three-tier fair value hierarchy, which prioritizes the inputs in measuring fair value. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

These tiers include:

Level 1: defined as observable inputs such as quoted prices in active markets;

Level 2: defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and

Level 3: defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Concentrations of Credit Risks

The Company's financial instruments that are exposed to concentrations of credit risk primarily consist of its cash and cash equivalents. The Company places its cash and cash equivalents with financial institutions of high credit worthiness. The Company's management plans to assess the financial strength and credit worthiness of any parties to which it extends funds, and as such, it believes that any associated credit risk exposures are limited.

### Revenue Recognition

The Company recognizes revenue from the sale of products and services in accordance with ASC 606, “Revenue Recognition” following the five steps procedure:

- Step 1: Identify the contract(s) with customers
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to performance obligations
- Step 5: Recognize revenue when or as performance obligations are satisfied

The Company will identify and analyze its performance obligations with respect to customer contracts once the first contract is signed.

### Capitalized Film Costs

The Company accounts for film costs in accordance with ASC 926 – Entertainment – Films which requires film costs and production overhead to be capitalized as incurred and subsequently amortized using the individual-film-forecast computation method. During 2022, the Company capitalized \$16,714 in film and production costs. No amortization has been recorded during 2022 as the film is still in the process of being produced.

### General and Administrative

General and administrative expenses consist of payroll and related expenses for employees and independent contractors involved in general corporate functions, including accounting, finance, tax, legal, business development, and other miscellaneous expenses.

### Equity-Based Compensation

At the present time, the Company does not have an Equity-Based Compensation plan.

### Income Taxes

The Company is a pass-through entity therefore any income tax expense or benefit is the responsibility of the company’s owners. As such, no provision for income tax is recognized on the Statement of Operations.

### Recent Accounting Pronouncements

The FASB issues ASUs to amend the authoritative literature in ASC. There have been a number of ASUs to date that amend the original text of ASC. Management believes that those issued to date either (i) provide supplemental guidance, (ii) are technical corrections, (iii) are not applicable to us or (iv) are not expected to have a significant impact on our financial statements.

## **NOTE 3 – RELATED PARTY TRANSACTIONS**

The Company follows ASC 850, “Related Party Disclosures,” for the identification of related parties and disclosure of related party transactions.

During the year ended December 31st, 2022, the Company had outstanding accounts payable in the amount of \$1,210 for services performed by an owner’s company. The balance is non-interest bearing and due on demand.

#### **NOTE 4 – COMMITMENTS, CONTINGENCIES, COMPLIANCE WITH LAWS AND REGULATIONS**

We are currently not involved with or know of any pending or threatening litigation against the Company or any of its officers. Further, the Company is currently complying with all relevant laws and regulations. The Company does not have any long-term commitments or guarantees.

#### **NOTE 5 – LIABILITIES AND DEBT**

See Note 3.

##### **Debt Principal Maturities 5 Years Subsequent to 2022**

<b>Year</b>	<b>Amount</b>
2023	\$1,210
2024	-
2025	-
2026	-
2027	-
Thereafter	-

#### **NOTE 6 – EQUITY**

The Company operates on Membership Interest and has authorized 100 Membership Units at a price of \$10,000 per Unit. As of December 31, 2022, the Company has issued 30 Membership Units.

#### **NOTE 7 – SUBSEQUENT EVENTS**

The Company has evaluated events subsequent to December 31, 2022 to assess the need for potential recognition or disclosure in this report. Such events were evaluated through July 14, 2023, the date these financial statements were available to be issued. No events require recognition or disclosure.

#### **NOTE 8 – GOING CONCERN**

The accompanying balance sheet has been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The entity has not commenced principal operations and will likely realize losses prior to generating positive working capital for an unknown period of time. During the next twelve months, the Company intends to finance its operations with funds from a crowdfunding campaign and revenue producing activities. The Company's ability to continue as a going concern in the next twelve months following the date the financial statements were available to be issued is dependent upon its ability to produce revenues and/or obtain financing sufficient to meet current and future obligations and deploy such to produce profitable operating results. Management has evaluated these conditions and plans to generate revenues and raise capital as needed to satisfy its capital needs. No assurance can be given that the Company will be successful in these efforts. These factors, among others, raise substantial doubt about the ability of the Company to continue as a going concern for a reasonable period of time. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities.